

ERNA M. GROTH

IBLA 78-585

Decided October 16, 1978

Appeal from decision of Utah State Office, Bureau of Land Management, holding that oil and gas lease U 6435-V had terminated for failure to make timely payment of rental.

Affirmed, as modified.

1. Oil and Gas Leases: Termination

An oil and gas lease expires at the end of its primary term where there has not been compliance with any of the provisions of the Mineral Leasing Act under which a further extension of the lease may be granted.

APPEARANCES: Mrs. Ema M. Groth, pro se.

OPINION BY ADMINISTRATIVE JUDGE HENRIQUES

Mrs. Ema M. Groth has appealed from a decision of Utah State Office, Bureau of Land Management (BLM), dated August 8, 1978, which returned her remittance of \$20, submitted as rental payment for oil and gas lease U 6435-V, with this remark: "This lease terminated under the provision of PL 555-83rd Congress, effective August 2, 1978, in the absence of a timely rental payment. Payment was received in this office on August 7, 1978." 1/

The decision of the State Office returning the remittance was incorrect in stating that lease U 6435-V had terminated for reason of late rental payment, because the lease had expired at the end of its primary term.

1/ The payment of \$20 was resubmitted with the appeal. It will be refunded to Mrs. Groth in due course.

The record shows that oil and gas lease U 6435 was issued effective August 1, 1968, for a primary term of 10 years, expiring July 31, 1978. Lease U 6435-V, containing 40 acres, was segregated by assignment from the base lease U 6435, effective November 1, 1968, and retained the same terms, including the expiration date of July 31, 1978. Extension of the lease beyond the primary term could be accomplished only by production of oil or gas in paying quantities or by diligent drilling operations in effect on July 31, 1978, either on the lease or for the benefit of the lease under an approved unit agreement.

[1] There was no reported production of oil or gas, or diligent drilling operations in progress on, or for the benefit of, lease U 6435-V on July 31, 1978, so the lease expired by operation of law at the end of its primary term.

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed, as modified.

Douglas E. Henriques
Administrative Judge

We concur:

Edward W. Stuebing
Administrative Judge

Anne Poindexter Lewis
Administrative Judge

